

FILED FEB 16 2000

SENATE FILE

2191

BY KIBBIE

Passed Senate, Date _____ Passed House, Date _____
 Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act relating to an Iowa agricultural industry finance
 2 corporation by providing for voting by members.
 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2191
 AGRICULTURE

1 Section 1. Section 15E.206, Code 1999, is amended by
 2 adding the following new subsection:
 3 NEW SUBSECTION. 4. In voting on any matter, the majority
 4 of board members voting and carrying the vote shall not
 5 include a member who has a conflict of interest and a
 6 statement by a member that the member has a conflict of
 7 interest is conclusive for this purpose. A board member who
 8 has a direct or indirect interest in the business affairs of a
 9 person who receives financing from the corporation pursuant to
 10 section 15E.209 shall be conclusively regarded as having a
 11 conflict of interest. A matter voted upon is not invalid by
 12 reason of a conflict of interest, unless the vote of the
 13 member was decisive. The vote must be computed on the basis
 14 of the number of members not disqualified by reason of a
 15 conflict of interest. The board may remove from office any
 16 member who votes on a matter in which the member has a
 17 conflict of interest.

18 EXPLANATION

19 This bill amends Code section 15E.206, which authorizes the
 20 formation of one or more Iowa agricultural industry finance
 21 corporations. The purpose of such a corporation is to
 22 facilitate opportunities for local agricultural producer-led
 23 ventures and to expand production and processing of high-value
 24 agricultural products. Such a corporation is governed by a
 25 board of directors. This bill provides that in taking any
 26 action requiring a vote by the board, the majority of board
 27 members voting and carrying the vote cannot include a member
 28 who has a conflict of interest. It provides for the
 29 disqualification of the member. A board member who has a
 30 direct or indirect interest in the business affairs of a
 31 person who receives financing from the corporation is
 32 conclusively regarded as having a conflict of interest. The
 33 bill also provides that the board may remove from office any
 34 member violating this prohibition.

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